

FINANCIAL ASSURANCE MECHANISM

US ECOLOGY NEVADA

OCTOBER 2009

SECTION 18
FINANCIAL ASSURANCE MECHANISM
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SECTION 18

FINANCIAL ASSURANCE

US Ecology Nevada will establish and maintain, throughout the life of the facility, financial assurance for the calculated cost estimate for closure and post-closure of all facility units. The mechanism will be updated annually to incorporate cost estimate adjustments for inflation, and those changes required by authorized facility modifications.

The State of Nevada collects and maintains funds sufficient to pay for closure and post closure care at the facility. Per agreement between US Ecology Nevada and the State of Nevada, US Ecology will pay for costs of scheduled or unscheduled closure and the State of Nevada will reimburse those costs upon application for reimbursement. The State of Nevada will pay for post closure costs directly.

In addition to State funds, US Ecology Nevada will provide additional proof of financial responsibility as described below in the event that current balance available through State Funds is not adequate to pay for calculated closure and post closure costs.

18.1.0 FINANCIAL ASSURANCE MECHANISM

US Ecology Nevada will comply with the financial assurance requirements of 40 CFR 264.143 and 40 CFR 264.145 as follows:

- (a) US Ecology Nevada will satisfy the financial assurance requirements for closure and post-closure of the facility in accordance with 40 CFR 146 by obtaining closure and post-closure insurance (see Appendix A) which conforms to the requirements of 40 CFR Parts 264.143(e) and 264.145(e). US Ecology Nevada will submit a certificate of insurance to the Nevada Division of Environmental Protection (NDEP) Regional Administrator upon issuance of the policy.
- (b) The closure and post-closure insurance policy will be issued for a face value amount equal to the current closure and post-closure cost estimate minus the current balance of State of Nevada funds set aside for these purposes.
- (c) The closure and post-closure insurance policy will guarantee that funds will be available to close the facility whenever final closure occurs. The policy will also guarantee that once final closure and post-closure begin, the insurer will be responsible for paying out funds,

up to an amount equal to the face amount of the policy, upon the direction of the Administrator, to such party or parties as the Administrator specifies.

- (d) The wording of the certificate of insurance will be identical to the wording specified in 40 CFR 264.151(e).
- (e) After beginning partial or final closure, US Ecology or another party authorized to conduct partial or final closure or post-closure activities may request reimbursements for allowable expenditures by submitting itemized bills to the Administrator. US Ecology may request reimbursements for partial closure only if the remaining value of the policy and additional State of Nevada funds are sufficient to cover the maximum costs of conducting closure and post-closure activities at the facility over its remaining operating and post-closure life.

Within 60 days after receiving bills for partial or final closure or post-closure activities, the Administrator will instruct the insurer to make reimbursements in those amounts as the Administrator specifies in writing. The Administrator determines whether partial or final closure or post-closure expenditures are in accordance with the approved Closure and Post-Closure Plans, or otherwise justified. If the Administrator does not instruct the insurer to make such reimbursements, he will provide US Ecology with a detailed written statement of reasons.

If the Administrator has reason to believe that the maximum cost of closure and post-closure over the remaining operating or post-closure life of the facility will be significantly greater than the value of the face amount of the policy combined with State of Nevada funds, he may withhold reimbursements of such amounts as he deems prudent until he determines, in accordance with 40 CFR 264.143 (i) or 40 CFR 264.145 (i) that US Ecology is no longer required to maintain financial assurance for closure and post-closure care of the facility.

- (f) US Ecology will maintain the policy in full force and effect until the Administrator consents to termination of the policy by US Ecology as specified in (j) of this section. Failure to pay the premium, without substitution of alternate financial assurance will constitute a significant violation. Such violation will be deemed to begin upon receipt by the Administrator of a notice of future cancellation, termination, or failure to renew due to nonpayment of the premium, rather than upon the date of expiration.

- (g) Each policy will contain a provision allowing assignment of the policy to a successor owner or operator of the facility. Such assignment may be conditional upon consent of the insurer, provided such consent is not unreasonably refused.
- (h) The policy will provide that the insurer may not cancel, terminate, or fail to renew the policy except for failure to pay the premium. The automatic renewal of the policy will, at a minimum, provide the insured with the option of renewal at the face amount of the expiring policy. If there is a failure to pay the premium, the insurer may elect to cancel, terminate, or fail to renew the policy by sending notice by certified mail to US Ecology Nevada and the Administrator. Cancellation, termination, or failure to renew may not occur, however, during the 120 days beginning with the date of receipt of the notice by both the Administrator and US Ecology Nevada, as evidenced by the return receipts. Cancellation, termination, or failure to renew may not occur and the policy will remain in full force and effect in the event that on or before the date of expiration:
 - i) The Administrator deems the facility abandoned; or
 - ii) The permit is terminated or revoked or a new permit is denied; or
 - iii) Closure is ordered by the Administrator or a U.S. district court or other court of competent jurisdiction; or
 - iv) US Ecology is named as debtor in a voluntary or involuntary proceeding under Title 11 (Bankruptcy), U.S. Code; or
 - v) The premium due is paid.
- (i) Whenever the current closure and post-closure cost estimate increases to an amount greater than the combined State of Nevada funds and the face amount of the policy, the owner or operator, within 60 days after the increase, will either cause the face amount of the policy to be increased to an amount sufficient to fill any deficiency in funds and submit evidence of such increase to the Administrator, or obtain other financial assurance as specified in 40 CFR 264.143 and 40 CFR 264.145 to cover the deficiency. Whenever the current closure and post-closure cost estimate decreases, the face amount of the policy may be reduced to correspond to the decreased cost estimate following written approval by the Administrator.
- (j) The Administrator will give written consent to US Ecology that US Ecology may terminate the insurance policy when:
 - i) Sufficient State funds are available to pay closure and post closure costs, or
 - ii) US Ecology substitutes alternate financial assurance as specified in

- 40 CFR 264.143 and 40 CFR 264.145; or
- iii) The Administrator releases US Ecology from the requirements of this section in accordance with 40 CFR 264.143(i) and 264.145(i).

18.2.0 INCAPACITY OF FACILITY, GUARANTORS OR FINANCIAL INSTITUTIONS

Within ten days of the commencement of any voluntary or involuntary proceeding under U.S. Code, Title 11 (Bankruptcy) naming the facility as debtor, US Ecology Nevada will notify the Nevada Department of Environmental Protection Administrator by certified mail.

US Ecology will be deemed to be without financial assurance and/or liability coverage in the event of bankruptcy of the trustee or issuing institution, or the suspension or revocation of the trustee institution's authority to act as trustee, or of the issuing institution to issue the financial instrument.

US Ecology Nevada will establish other financial assurance or liability coverage within 60 days after such an event.

APPENDIX 18- A

FINANCIAL ASSURANCE MECHANISM

Certificate of Liability Insurance



CERTIFICATE OF LIABILITY INSURANCE

 DATE (MM/DD/YYYY)
04/14/2010

PRODUCER
Aon Risk Insurance Services West, Inc.
Phoenix AZ Office
1850 North Central Avenue
Suite 1700
Phoenix AZ 85004 USA

PHONE: (866) 283-7122 FAX: (847) 953-5390

INSURED
US Ecology, Inc.
300 E. Mallard Drive, Suite 300
Boise ID 83706-6650 USA

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY
AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS
CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE
COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE
NAIC #

INSURER A:	XL Specialty Insurance Co	37885
INSURER B:	Greenwich Insurance Company	22322
INSURER C:	Indian Harbor Insurance Company	36940
INSURER D:		
INSURER E:		

Holder Identifier:

COVERAGES

SIR applies per terms and conditions of the policy

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

LIMITS SHOWN ARE AS REQUESTED

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS	
B		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> WA Stop Gap GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC	GEC000173110	03/31/2010	03/31/2011	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG SIR	\$1,000,000 \$1,000,000 \$5,000 \$1,000,000 \$2,000,000 \$2,000,000 \$50,000
A		AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON OWNED AUTOS <input checked="" type="checkbox"/> @ \$5,000,000 - See Umbrella <input checked="" type="checkbox"/> Includes MCS-90 endorsement	AEC000173210	03/31/2010	03/31/2011	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	\$1,000,000
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT OTHER THAN AUTO ONLY: EA ACC AGG	
B		EXCESS / UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$10,000	UEC000173610 Excess	03/31/2010	03/31/2011	EACH OCCURRENCE AGGREGATE	\$10,000,000 \$10,000,000
B		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER / MEMBER EXCLUDED? (Mandatory in NE) <input type="checkbox"/> If yes, describe under SPECIAL PROVISIONS below	WEC000173710	03/31/2010	03/31/2011	<input checked="" type="checkbox"/> WC STATU-ITORY LIMITS E.L. EACH ACCIDENT E.L. DISEASE-EA EMPLOYEE E.L. DISEASE-POLICY LIMIT	\$1,000,000 \$1,000,000 \$1,000,000
B		OTHER Contractor Prof	PEC000173408	03/31/2010	03/31/2011	Each Claim SIR Aggregate	\$5,000,000 \$100,000 \$5,000,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

Excess Liability policy applies to General Liability, Automobile Liability and Employer's Liability policies.

CERTIFICATE HOLDER

American Ecology Corporation
300 E. Mallard Drive, Suite 300
Boise ID 83706 USA

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Aon Risk Insurance Services West, Inc.

ACORD 25 (2009/01)

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Certificate No: 570038458257

Attachment to ACORD Certificate for US Ecology, Inc.

The terms, conditions and provisions noted below are hereby attached to the captioned certificate as additional description of the coverage afforded by the insurer(s). This attachment does not contain all terms, conditions, coverages or exclusions contained in the policy.

INSURED

US Ecology, Inc.
300 E. Mallard Drive, Suite 300
Boise ID 83706-6650 USA

INSURER

INSURER

INSURER

INSURER

INSURER

ADDITIONAL POLICIES

If a policy below does not include limit information, refer to the corresponding policy on the ACORD certificate form for policy limits.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER POLICY DESCRIPTION	POLICY EFFECTIVE DATE	POLICY EXPIRATION DATE	LIMITS	
		OTHER					
C		Remediatn Cost	PEC000173504	03/31/2010	03/31/2013	Pollution & Remediation	\$20,000,000
						SIR	\$250,000
						Aggregate	\$20,000,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

Certificate No:

570038458267

INSURED

US Ecology, Inc.
300 E. Mallard Drive, Suite 300
Boise ID 83706-6650 USA

INCLUDED AS ADDITIONAL NAMED INSURED:

US Ecology Texas, Inc.
US Ecology Idaho, Inc.
US Ecology Nevada, Inc.
US Ecology Washington, Inc.
American Ecology Corporation

Certificate No :

570038458267